



4004

ANNUAL REPORT

OF

Name: LAKEFIELD TELEPHONE COMPANY

Principal Office: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063-0102

For the Year Ended: DECEMBER 31, 2000

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: LAKEFIELD TELEPHONE COMPANY
Utility Location: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063-0102

Utility Web Site Address: www.lakefield .net

When was utility organized?: 01/01/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (920) 758 - 2997
Telephone Number: (920) 758 - 2211
Email Address:

Individual or firm, if other than utility employee, preparing this report

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719-1155

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address: www.kiesling.com

Person responsible for financial information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (920) 758 - 2997
Telephone Number: (920) 758 - 2211
Email Address:

Person responsible for statistical information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (920) 758 - 2997
Telephone Number: (920) 758 - 2211
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	LAKEFIELD TELECOM, INC.
Address:	7520 ENGLISH LAKE ROAD PO BOX 102 NEWTON, WI 53063
Number of Shares Held:	8,765
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	LTC, INC
Form of Interest:	OWNED
Extent Of Interest:	100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,280,618	1,288,254	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	130,438	109,833	2
Plant Nonspecific Operations Expense	446,349	404,752	3
Customer Operations Expense (6610-6620)	236,718	204,353	4
Corporate Operations Expense (6710-6790)	236,725	234,411	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	62,851	124,638	7
Total Operating Expenses	1,113,081	1,077,987	8
Net Operating Income	167,537	210,267	9
Other Income			
Nonoperating Income and Expense (7300)	(5,652)	138,599	10
Nonoperating Taxes (7400)	(13,985)	17,486	11
Interest and Related Items (7500)	64,921	73,474	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	209,533	174,067	14
Total Nonoperating Income	152,945	221,706	15
Net Income	320,482	431,973	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

which produced the ITC.

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments and temporary investments are stated at cost. Debt and marketable securities classified as available-for-sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholder's equity.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	71,014	209,963	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	71,014	209,963	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	52,890	63,775	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	52,890	63,775	
Other Accounts Receivable (1190)*	303,544	469,636	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	303,544	469,636	
Notes Receivable (1200)*		0	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*		0	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	356,434	533,411	
SUPPLIES			
Inventories (1220)*	10,541	12,291	13
TOTAL SUPPLIES	10,541	12,291	
PREPAYMENTS			
Total Prepayments (1280)*	0	12,014	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	0	12,014	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	12,392	14,199	20
TOTAL OTHER CURRENT ASSETS	12,392	14,199	
TOTAL CURRENT ASSETS	450,381	781,878	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	144,624	144,611	21
RTB Class B Stock (1402)*		0	22
Other Investments in Nonaffiliated Companies (1402)*	119,299	139,829	23
Nonregulated Investments (1406)*	124,524	128,241	24
Unamortized Debt Issuance Expense (1407)*	1,554	1,657	25
Sinking Funds (1408)*		0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*		0	27
TOTAL INVESTMENTS	390,001	414,338	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*	6,588	10,541	30
TOTAL DEFERRED CHARGES	6,588	10,541	
TOTAL NONCURRENT ASSETS	396,589	424,879	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	5,345,266	4,932,100	31
Less: Accumulated Depreciation (3100)*	3,183,735	2,799,153	32
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	34
Less: Accumulated Amortization--Intangible (3500)*		0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,161,531	2,132,947	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	38
Less: Accumulated Depreciation--Nonoperating (3300)*		0	39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	266,060		40
TOTAL TPUC	266,060	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,427,591	2,132,947	
TOTAL ASSETS AND OTHER DEBITS	3,274,561	3,339,704	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	218,219	213,245	1
Notes Payable (4020)*		42,868	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*	325	325	4
Current Maturities--Long-Term Debt (4050)*	70,000	81,700	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	(5,277)	143,501	7
Other Taxes--Accrued (4080)*	289	110	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	28,196	31,344	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES	311,752	513,093	
LONG-TERM DEBT			
Funded Debt (4210)*	1,154,966	1,224,920	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT	1,154,966	1,224,920	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*		0	20
Unamortized Operating ITC--Net (4320)*	0	23,500	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	97,732	109,603	23
Net Deferred Tax Liability Adjustments (4341)*	0	(15,530)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(3,826)	(3,390)	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	0	16,103	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	93,906	130,286	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	438,250	438,250	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*	(12,020)	(9,070)	31
Retained Earnings (4550)*	1,287,707	1,042,225	32
TOTAL STOCKHOLDERS' EQUITY	1,713,937	1,471,405	
TOTAL LIABILITIES AND OTHER CREDITS	3,274,561	3,339,704	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Computer Systems Limited Liability Corporation	CSLLC	1
Lakefield Communications, Inc.	LKFDCOMM	2
Lakefield Telecom, Inc.	LKFDTELCM	3
LTC, Inc.	LTC	4

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars	(a)	(b)	(c)	(d)	(e)
Docket		2970AT100			
Name of Affiliate		CSLLC	LKFDCOMM		1
Designate whether billed to or from:		FROM	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		M	M		3
Total Dollar Activity		---CONF---	---CONF---		4
Percent of affiliate's business billed to all affiliated regulated utilities		---CONF---	---CONF---		5
If cost based, rate of return on equity or markup incorporated in billings		---CONF---	---CONF---		6
Footnotes					

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	18,158		1
Motor Vehicles	2112	67,391	27,807	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	57,636	1,286	6
Buildings	2121	571,615		7
Furniture	2122	75,603	4,540	8
Office Equipment	2123	46,215	4,041	9
General Purpose Computers	2124	119,446	5,261	10
TOTAL--GENERAL SUPPORT ASSETS:		956,064	42,935	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,295,193	40,812	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	150,958	34,776	16
TOTAL--CENTRAL OFFICE ASSETS:		1,446,151	75,588	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	1,663	0	23
Underground Cable	2422	12,485	0	24
Buried Cable	2423	2,505,659	298,401	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	2,669	264	29
Conduit Systems	2441	7,409	608	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,529,885	299,273	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			18,158	1
2112			95,198	2
2113			0	3
2114			0	4
2115			0	5
2116			58,922	6
2121			571,615	7
2122			80,143	8
2123	0	0	50,256	9
2124			124,707	10
	0	0	998,999	
2211			0	11
2212	2,314	0	1,333,691	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	2,316	0	183,418	16
	4,630	0	1,517,109	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	0	1,663	23
2422	0	0	12,485	24
2423	0	0	2,804,060	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			2,933	29
2441			8,017	30
	0	0	2,829,158	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,932,100	417,796
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	4,630	0	5,345,266	
2001			0	34
			5,345,266	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	39,846	3,276	1
Company Communications Equipment	2123.2	6,369	765	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,295,193	40,812	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	32,066	10,663	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	118,892	24,113	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	1,663		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	12,485		16
Buried Cable - Nonmetallic	2423.1	316,320	134,497	17
Buried Cable - Metallic	2423.2	2,189,339	163,904	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS) **(cont.)**

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			43,122	1
2123.2			7,134	2
2212.1			0	3
2212.2	2,314		1,333,691	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			42,729	10
2232.2			0	11
2232.3	2,316		140,689	12
2421.1			0	13
2421.2			1,663	14
2422.1			0	15
2422.2			12,485	16
2423.1			450,817	17
2423.2			2,353,243	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	57,191	9.7	7,909	1 A,H
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	57,636	.0	0	5A
Buildings	2121	189,705	4.0	23,094	6
Furniture	2122	55,346	10.0	7,951	7
Office Equipment	2123	31,463	7.5	3,624	8H
General Purpose Computers	2124	112,666	20.0	10,046	9
Total-- GENERAL SUPPORT ASSETS		504,007		52,624	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	637,237	11.1	149,670	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	96,270	12.0	19,197	15
Total-- CENTRAL OFFICE ASSETS		733,507		168,867	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0			21
Aerial Cable	2421	776	5.0	83	22
Underground Cable	2422	8,437	4.5	562	23
Buried Cable	2423	1,547,680	6.27	166,541	24H
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	2,366	12.5	349	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	2,380	2.5	186	29
Total-- CABLE WIRE FACILITIES ASSETS		1,561,639		167,721	0
Total Accumulated Depreciation	3100	2,799,153		389,212	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					65,100	1 A,H
2113					0	2
2114					0	3
2115					0	4
2116					57,636	5 A
2121					212,799	6
2122					63,297	7
2123	0				35,087	8 H
2124					122,712	9
	0	0	0	0	556,631	
2211					0	10
2212	2,314				784,593	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	2,316				113,151	15
	4,630	0	0	0	897,744	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				859	22
2422	0				8,999	23
2423	0				1,714,221	24 H
2424	0				0	25
2425					0	26
2426	0				0	27
2431					2,715	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					2,566	29
	0	0	0	0	1,729,360	
3100	4,630	0	0	0	3,183,735	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	27,948	15.0	2,244	1
Company Communications Equipment	2123.2	3,515	20.0	1,380	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	637,237	11.1	149,670	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	25,018	12.0	4,352	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	71,252	12.0	14,845	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	776	5.0	83	14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	8,437	4.5	562	16
Buried Cable - Nonmetallic	2423.1	61,377	4.5	17,199	17
Buried Cable - Metallic	2423.2	1,486,303	6.7	149,342	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					30,192	1
2123.2					4,895	2
2212.1					0	3
2212.2	2,314				784,593	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					29,370	10
2232.2					0	11
2232.3	2,316				83,781	12
2421.1					0	13
2421.2					859	14
2422.1					0	15
2422.2					8,999	16
2423.1					78,576	17
2423.2					1,635,645	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	(97,732)	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(97,732)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(97,732)	
NONPROPERTY RELATED		
Other Current Assets (1350)	12,393	9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)		13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	12,393	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,042,225	680,252	1
Changes:			
Balance Transferred from Income	320,482	431,973	2
Dividends Declared:			
Common	75,000	70,000	3
Preferred		0	4
Total Dividends Declared	75,000	70,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>1,287,707</u>	<u>1,042,225</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	498,555	450,195	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	498,555	450,195	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	70,543	66,799	11
Switched Access Revenue (5082)*	354,932	363,443	12
Special Access Revenue (5083)*		0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	425,475	430,242	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	232,866	245,365	15
Special Access Revenue (5084.3)*	46,503	47,218	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	279,369	292,583	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	---CONF---	---CONF---	30
Rent Revenue (5240)*	---CONF---	---CONF---	31
Corporate Operations Revenue (5250)*	---CONF---	---CONF---	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	---CONF---	---CONF---	33 B
Special Billing Arrangements Revenue (5261)	---CONF---	---CONF---	34
Customer Operations Revenue (5262)	---CONF---	---CONF---	35
Plant Operations Revenue (5263)	---CONF---	---CONF---	36
Other Incidental Regulated Revenue (5264)	---CONF---	---CONF---	37
Other Revenue Settlements (5269)	---CONF---	---CONF---	38
Total Miscellaneous Revenue (5260)	---CONF---	---CONF---	
Interstate Billing and Collection Revenue*	---CONF---	---CONF---	39
Intrastate Billing and Collection Revenue*	---CONF---	---CONF---	40
Total Carrier Billing and Collection Revenue (5270)*	---CONF---	---CONF---	
Nonregulated Operating Revenue (5280)**	---CONF---	---CONF---	41
TOTAL MISCELLANEOUS REVENUES	79,107	117,446	
GROSS OPERATING REVENUES	1,282,506	1,290,466	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,888	2,212	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,888	2,212	
TOTAL OPERATING REVENUES	1,280,618	1,288,254	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	4,816	2,619	1
Less: Nonregulated		0	2
Net Regulated	4,816	2,619	3
Total General Support Expense (6120)	24,870	34,238	4
Less: Nonregulated		0	5 C
Net Regulated	24,870	34,238	6
Total Central Office Switching Expense (6210)	29,032	23,704	7
Less: Nonregulated		0	8 D
Net Regulated	29,032	23,704	9
Total Operator Systems Expense (6220)		0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	8,717	1,362	13
Less: Nonregulated		0	14 F
Net Regulated	8,717	1,362	15
Total Information Orig. / Term. Expense (6310)		0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	63,003	47,910	19
Less: Nonregulated		0	20 E
Net Regulated	63,003	47,910	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	130,438	109,833	
Less: Nonregulated	0	0	
Net Regulated	130,438	109,833	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)		0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	40,879	32,615	25
Less: Nonregulated		0	26 F
Net Regulated	40,879	32,615	27
Access Expense (6540)	16,260	13,043	28
Less: Nonregulated		0	29
Net Regulated	16,260	13,043	30
Total Depreciation and Amortization Expense (6560)	389,210	359,094	31
Less: Nonregulated		0	32
Net Regulated	389,210	359,094	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	446,349	404,752	
Less: Nonregulated	0	0	
Net Regulated	446,349	404,752	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)		0	34
Less: Nonregulated		0	35
Net Regulated	0	0	36
Total Services (6620)	236,718	204,353	37
Less: Nonregulated		0	38
Net Regulated	236,718	204,353	39
TOTAL CUSTOMER OPERATIONS EXPENSE	236,718	204,353	
Less: Nonregulated	0	0	
Net Regulated	236,718	204,353	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	53,634	47,099	40
Less: Nonregulated		0	41
Net Regulated	53,634	47,099	42
Total General and Administrative (6720)	183,091	187,312	43
Less: Nonregulated		0	44
Net Regulated	183,091	187,312	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	236,725	234,411	
Less: Nonregulated	0	0	
Net Regulated	236,725	234,411	
TOTAL EXPENSES	1,050,230	953,349	
Less: Nonregulated	0	0	
Net Regulated	1,050,230	953,349	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)		0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	389,210	359,094	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	389,210	359,094	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,282,506	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	1,888	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>1,280,618</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	498,555	1
Plus: Total Intrastate Access Revenues (5084)	279,369	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>777,924</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,282,506	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	1,888	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,280,618	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	498,555	1
Plus: Total Intrastate Access Revenues (5084)	279,369	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	777,924	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)		0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(23,500)	(23,500)	2
Operating Federal Income Taxes (7220)	52,059	66,283	3
Operating State and Local Income Taxes (7230)	7,668	11,655	4
Operating Other Taxes (7240)	37,262	76,082	5
Provision for Deferred Operating Income Taxes--Net (7250)	(10,638)	(5,882)	6
TOTAL OPERATING TAXES (7200)	62,851	124,638	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)		0	7
Interest Income (7320)	6,804	9,656	8
Income from Sinking and Other Funds (7330)		0	9
Allowance for Funds Used During Construction (7340)		0	10
Gains or (Losses) from the Disposition of Certain Property (7350)		0	11
Other Nonoperating Income (7360)	13	83,420	12
Special Charges (7370)	12,469	(45,523)	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	(5,652)	138,599	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	(13,985)	17,486	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	64,921	73,474	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)		0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	209,533	174,067	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
---CONF---	1
---CONF---	2

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	218,439	1
All Other Accounts	275,884	2
Total Salaries and Wages	<u>494,323</u>	3 J

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	---CONF---	---CONF---	1 G
Extended Area Service	---CONF---	---CONF---	2 G
Extended Community Calling	---CONF---	---CONF---	3 G
Other Local-Undefined	---CONF---	---CONF---	4 G
Total Local	370	1,970	
TOLL			
Toll	51	611	5
Total Toll	51	611	
Total Local & Toll	421	2,581	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group B -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	7
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	24	1
Strand miles of plant - fiber optics	934	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 I
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 I
1.54 Mbps (DS-1)	---CONF---	---CONF---	4 I
45 Mbps (DS-3)	---CONF---	---CONF---	5 I
SONET OC-1	---CONF---	---CONF---	6 I
SONET OC-3	---CONF---	---CONF---	7 I
SONET OC-12	---CONF---	---CONF---	8 I
SONET OC-48	---CONF---	---CONF---	9 I
SONET OC-192	---CONF---	---CONF---	10 I

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	24	1
Strand miles of plant - fiber optics	934	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 I
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 I
1.54 Mbps (DS-1)	---CONF---	---CONF---	4 I
45 Mbps (DS-3)	---CONF---	---CONF---	5 I
SONET OC-1	---CONF---	---CONF---	6 I
SONET OC-3	---CONF---	---CONF---	7 I
SONET OC-12	---CONF---	---CONF---	8 I
SONET OC-48	---CONF---	---CONF---	9 I
SONET OC-192	---CONF---	---CONF---	10 I

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	9
Mobile (Utility Provided Service)	---CONF---	---CONF---	10
Paging (Utility Provided Service)	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	15
Pay Stations - Public	---CONF---	---CONF---	16
- Semi-Public	---CONF---	---CONF---	17
- Cust. Owned	---CONF---	---CONF---	18
Other	---CONF---	---CONF---	19
Total Business Lines	326	310	20
Residential (Incl. Emp. Concess.)			
1 Party	---CONF---	---CONF---	22
2 Party	---CONF---	---CONF---	23
4 Party	---CONF---	---CONF---	24
FX-Out (Switched)	---CONF---	---CONF---	25
Other	---CONF---	---CONF---	26
Total Residential Lines	1,463	1,522	27
Total Bus & Res Lines	1,789	1,832	28
Company Used Lines	24	24	29
Total Lines Used	1,813	1,856	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	---CONF---	---CONF---	7
Special Access-interLATA			8
(expressed in equiv. access lines)	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	14
EAS - Trunks	192	216	15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	3,976,036	4,346,267	25
Total Company Square Miles	87	87	26
Total Company Route Miles	268	291	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3810	3820			1
Business					2
1 Party	---CONF---	---CONF---			3
2 Party	---CONF---	---CONF---			4
4 Party	---CONF---	---CONF---			5
PBX Trunks/System Trunks	---CONF---	---CONF---			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	---CONF---	---CONF---			8
Key System Trunks	---CONF---	---CONF---			9
Mobile (utility provided service)	---CONF---	---CONF---			10
Paging (utility provided service)	---CONF---	---CONF---			11
FX-Out (Switched)	---CONF---	---CONF---			12
Pay Telephone	---CONF---	---CONF---			13
Coin-Operated Pay Telephone	---CONF---	---CONF---			14
Independent Pay Telephone Provider	---CONF---	---CONF---			15
Pay Stations - Public	---CONF---	---CONF---			16
- Semi-Public	---CONF---	---CONF---			17
- Cust. Owned	---CONF---	---CONF---			18
Other	---CONF---	---CONF---			19
Total Business Lines	128	182	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	---CONF---	---CONF---			22
2 Party	---CONF---	---CONF---			23
4 Party	---CONF---	---CONF---			24
FX-Out (Switched)	---CONF---	---CONF---			25
Other	---CONF---	---CONF---			26
Total Residential Lines	599	923	0	0	27
Total Bus & Res Lines	727	1,105	0	0	28
Company Used Lines	2	22			29
Total Lines Used	729	1,127	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3810	3820			1
Miscellaneous					2
WATS Lines - OutWATS	---CONF---	---CONF---			3
WATS Lines - 800 Service	---CONF---	---CONF---			4
FX-In-intraLATA	---CONF---	---CONF---			5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---	---CONF---			7
Special Access-interLATA					8
(equiv. access lines)	---CONF---	---CONF---			9
Feature Group A Lines	---CONF---	---CONF---			10
Feature Group B Trunks	---CONF---	---CONF---			11
Feature Group C Trunks	---CONF---	---CONF---			12
Feature Group D Trunks	---CONF---	---CONF---			13
TSPS - Trunks	---CONF---	---CONF---			14
EAS - Trunks		216			15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---			16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,724,598	2,621,669			27
Exchange Square Miles	30	57			28
Exchange Route Miles	115	176			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
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Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	NEWTON	NEWTONBURG			1
PSCW Exchange ID	3810	3820			2
Central Office Name	NEWTON	NEWTONBURG			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1993	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	3820				9
Remote Host PSCW Central Office ID	1	0			10
COE Generic Software Release No.	22	22			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	729	1,127			14
- Equipped	850	1,380			15
- Wired	850	1,380			16
Trunks - In Use	0	312			17
- Equipped	0	408			18
- Wired	0	408			19
ISDN Available?	Yes	Yes			20
ISDN Lines - In Use (BRI)	---CONF---	---CONF---			21
- In Use (PRI)	---CONF---	---CONF---			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	---CONF---	---CONF---			24
Digital Transmission Facilities: DS-1 - In Use	---CONF---	---CONF---			25
DS-3 - In Use	---CONF---	---CONF---			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	---CONF---	---CONF---			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	56	64			33
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---			34
No. of fiber strands for interoffice use	44	20			35
Miles of fiber sheath in wire center	12	22			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			38
Does this C.O. do access tandem switching?	Yes	Yes			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote****Accountants Compilation Report**

To the Board of Directors
Lakefield Telephone Company
Newton, Wisconsin

We have compiled the balance sheets of Lakefield Telephone Company as of December 31, 2000 and 1999, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 47 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 47 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
March 31, 2001

Schedule Footnotes

Schedule Line Footnotes

- A) Depreciation calculated on a per unit basis.
- B) In 1999 accumulated differences from previous years were adjusted to reconcile various balance sheet accounts.
- C) 1999 expense high from hail damage.
- D) Increase due to lightning damage.
- E) More road moves and related cable work in 2000.
- F) Increase in labor and overheads.
- G) Details obtained from an average cost sampling of monthly switch traffic reports.
- H) Depreciation rate given is a composite.
- I) Reported amount of -0- for these special access circuits is correct.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- J) Labor, benefits, and overhead distribution no longer required for the expense schedule.**